ANNUAL REPORT

OF THE

PRINCE EDWARD ISLAND

LOTTERIES COMMISSION

FOR THE YEAR ENDING

MARCH 31, 2002

103-03342/

TO HIS HONOUR

THE HONOURABLE J. LEONCE BERNARD
Lieutenant Governor of the Province of
Prince Edward Island

May It Please Your Honour:

In accordance with the Lotteries Commission Act [R.S.P.E.I. 1988, Cap. L-17], I respectfully submit herewith, for the information of Your Honour and the Legislature of Prince Edward Island, the Annual Report of the Prince Edward Island Lotteries Commission for the fiscal year ended 31 March, 2002.

I have the honour to be Sir:

Your Obedient Servant,

Patricia J. Mella

Patricia J. Mella
Chairperson
P.E.I. Lotteries Commission

COMMISSION DES LOTERIES DE L'ÎLE-DU-PRINCE-ÉDOUARD

RAPPORT ANNUEL

de l'exercice financier se terminant le 31 mars 2002

Vue d'ensemble de l'exercice financier 2001-2002

HISTORIQUE

La Commission des loteries de l'Île-du-Prince-Édouard a été créée en 1976 en vertu de la *Lotteries Commission Act* (Loi sur la Commission des loteries). Elle a pour mandat d'élaborer, d'organiser, d'entreprendre, de mener et de gérer les jeux de loteries au nom de la province. La commission a subséquemment délégué ces tâches à son agent, la Société des loteries de l'Atlantique.

La Société des loteries de l'Atlantique a été incorporée en 1976 en vertu de la *Loi régissant les sociétés commerciales canadiennes*. La Société est la propriété conjointe des quatre provinces du Canada atlantique. Chaque province a mis en place des lois pour ses jeux et loteries, lesquelles sont appuyées par des règlements que la Société des loteries de l'Atlantique doit respecter dans son exploitation des loteries dans chacune des provinces.

RÉSULTATS FINANCIERS

La part des revenus de l'Île-du-Prince-Édouard générés par le truchement des programmes de loteries opérés par la Société des loteries de l'Atlantique durant l'exercice financier 2001-2002 s'élevait à 15 190 587 dollars. Ces fonds sont placés dans les recettes générales de la province et jouent un rôle important dans le financement de plusieurs services requis par les Insulaires et auxquels ils s'attendent de leur gouvernement provincial.

Les 15 190 587 dollars de revenus reçus au cours de l'exercice financier 2001-2002 représentent une augmentation d'environ 0,5 pour cent par rapport au total de 15 118 209 dollars reçus pour l'exercice 2000-2001. Cette croissance de revenus est le résultat d'une diminution d'environ 1,5 pour cent des revenus du Programme de loteries vidéo et d'une augmentation d'environ 3,0 pour cent des revenus du Programme traditionnel (billet).

De même que la contribution financière aux recettes générales de la province est importante, les activités de loterie au cours de l'exercice 2001-2002 ont également connu un retour sur les ventes de billets de plus de 17 millions de dollars aux joueurs de loterie de l'Île-du-Prince-Édouard. Les activités de loterie ont également généré plus de 7,7 millions de commissions aux détaillants, aux détenteurs d'emplacement et aux propriétaires au cours du dernier exercice, fournissant une importante contribution financière à la viabilité de telles entreprises dans toute l'île.

Le tableau 1 fournit des renseignements comparatifs relatifs à l'Île-du-Prince-Édouard à propos du profit brut par type de programme pour les exercices financiers 2000-2001 et 2001-2002.

COURSES ATTELÉES

La Commission des loteries n'a pas cessé d'appuyer financièrement l'industrie des courses attelées à l'Île-du-Prince-Édouard au cours de l'exercice 2001-2002, et elle a fourni une aide financière de 941 214 dollars en revenus de loterie. La Commission considère que cette aide est un investissement dans une industrie qui joue un rôle important dans l'économie de l'Île. La Commission est également heureuse de noter que l'industrie des courses attelées de l'Île-du-Prince-Édouard fait de grands progrès pour s'assurer d'un avenir solide et durable.

PRINCE EDWARD ISLAND LOTTERIES COMMISSION

ANNUAL REPORT

For the Fiscal Year Ending 31 March 2002

OVERVIEW FOR FISCAL YEAR 2001-2002

BACKGROUND

The P.E.I. Lotteries Commission was established in 1976 under the *Lotteries Commission Act*. The Commission's mandate is to develop, organize, undertake, conduct and manage lottery schemes on behalf of the Province. The Commission has, in turn, delegated these duties to its agent, the Atlantic Lottery Corporation.

The Atlantic Lottery Corporation was incorporated in 1976 under the *Canada Business Corporation's Act*. The Corporation is jointly owned by the four Atlantic Provinces. Each Province has lottery and gaming legislation in place, with supporting regulations, which must be complied with by the Atlantic Lottery Corporation in its operation of lottery games in each jurisdiction.

FINANCIAL PERFORMANCE

Prince Edward Island's share of revenue generated through the operation of lottery programs by the Atlantic Lottery Corporation during fiscal 2001-2002 was $15,190,587. These funds are placed in the Province's general revenues and play an important role in helping to fund the many services Islanders require and expect from their Provincial Government.

The $15,190,587 in revenue received in fiscal 2001-02 represents an increase of approximately 0.5 percent over the fiscal 2000-01 total of $15,118,209. This revenue growth is the result of a decrease of approximately 1.5 percent in Video Lottery Program revenues and an increase of approximately 3.0 percent in Traditional (ticket) Program revenues.

As well as the significant contribution to the Province's general revenues, lottery activity in fiscal 2001-02 also saw the return of over $17 million in prizes on ticket sales to lottery players in Prince Edward Island. Lottery activity also generated over $7.7 million in commissions for retailers, siteholders and owners during the past fiscal year, thereby providing important financial support to the viability of these businesses throughout Prince Edward Island.

Table 1 provides comparative information for Prince Edward Island on gross profit by program type for fiscal years 2000-01 and 2001-02.

HARNESS RACING

The Lotteries Commission continued its financial support to the Prince Edward Island harness racing industry in fiscal 2001-02 by providing financial assistance of $941,214 from lottery revenues. The Commission views this support as an investment in an industry that plays a significant role in the Island's economy. The Commission is also pleased to note that the harness racing industry on Prince Edward Island is making very important progress in solidifying a strong and long term future.

TABLE 1

ALLOCATION OF GROSS PROFIT BY

GAME TYPE - PRINCE EDWARD ISLAND

(MILLIONS)

	2002			2001		
	Video Lottery $	Ticket Games $	Total $	Video Lottery $	Ticket Games $	Total $
Gross ticket sales	-	32.5	32.5	-	31.7	31.7
Net video lottery receipts	14.4	-	14.4	14.6	-	14.6
	14.4	32.5	46.9	14.6	31.7	46.3
Direct Expenses:						
Prizes on ticket sales	-	17.3	17.3	-	17.2	17.2
Commissions	5.4	2.3	7.7	5.5	2.3	7.8
Ticket printing	-	0.9	0.9	-	0.9	0.9
	5.4	20.5	25.9	5.5	20.4	25.9
Gross Profit	9.0	12.0	21.0	9.1	11.3	20.4

PRINCE EDWARD ISLAND LOTTERIES COMMISSION

1. COMMISSION ESTABLISHED

The Lotteries Act (S.P.E.I. 1976, Cap. 20), enacted by the Legislative Assembly at its 1976 Session and given Royal Assent on 22 April 1976, provided for the establishment of a P.E.I. Lotteries Commission. The Act was proclaimed via Order-in-Council No. EC675/76 for effect on 26 July 1976.

2. OFFICERS AND MEMBERS

As of March 31, 2002, the members and officers of the P.E.I. Lotteries Commission were: Honourable Patricia J. Mella, Chair, Michael L. O'Brien, Vice-Chair, and Ginger Brendon, Secretary-Treasurer.

Mr. O'Brien and Mr. Brendon were also Prince Edward Island's representatives on Directors on the Atlantic Lottery Corporations's Board of Directors.

3. BYLAWS OF THE COMMISSION

In addition to the requirements of the Lotteries Act, the Commission is governed by its Bylaws which were approved by the Lieutenant Governor in Council on 26 August 1976 via EC796/76.

4. AGREEMENTS

As provided in Section 7 of the Act, subsections (b) and (c), the Commission has recommended three agreements for the consideration of the Lieutenant Governor in Council, all of which were approved and subsequently entered into by the Commission.

1. P.E.I. Regulation EC788/76 of 26 August 1976, an agreement with the Provinces of Nova Scotia, New Brunswick and Newfoundland to establish and operate a regional lottery.

2. P.E.I. Regulation EC787/76 of 26 August 1976, an agreement for the establishment of the Atlantic Lottery Corporation.

3. P.E.I. Regulation 2000/380 of 6 July 2000, an agreement to amend and restate the unanimous Shareholders' Agreement governing the conduct and management of lottery schemes in the Atlantic Provinces.

5. LOTTERIES OFFERED OR SANCTIONED

The P.E.I. Lotteries Commission did not, itself, directly operate any lotteries during the fiscal year 2001-2002. However, a number of lottery games sanctioned by the Commission and developed and managed on behalf of the Commission by the Atlantic Lottery Corporation were in operation during the fiscal year. These included Lotto 6/49, Super 7, 2 by 2, Pik 3, Atlantic Choice (Atlantic Keno), Sports Select and various instant pick-a-breakopen games.

On-line video lotteries were also available.

6. FINANCIAL REPORT

The Financial Statements of the Prince Edward Island Lotteries Commission, as prepared by the Auditor General's Office, follow as part of this report.

AUDITOR GENERAL

[illegible]

[illegible]

[illegible]

[illegible]

To the Members of the
Prince Edward Island Lobster Commission

I have examined the balance sheet of the Prince Edward Island Lobster Commission as at March 31, 2020 and the statement of operations for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2020 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

[illegible]
[illegible]

Charlottetown, Prince Edward Island
June 15, 2020

STATEMENT 1

PRINCE EDWARD ISLAND LOTTERIES COMMISSION

BALANCE SHEET

MARCH 31, 2002

	2002	2001
ASSETS		
CURRENT ASSETS		
Due from Atlantic Lottery Corporation Inc.	$167,116	$290,196
OTHER ASSETS		
Share in Atlantic Lottery Corporation Inc. - at cost	100	100
Share in Interprovincial Lottery Corporation - at cost	1	1
	101	101
	$167,217	$290,297
LIABILITY		
CURRENT LIABILITY		
Due to Province of Prince Edward Island	$167,217	$290,297

(The accompanying note is an integral part of these financial statements.)

SIGNED ON BEHALF OF THE COMMISSION:

[illegible]

[illegible]

STATEMENT 2

PRINCE EDWARD ISLAND LOTTERIES COMMISSION

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2002

	2002	2001
REVENUE		
Distribution of Atlantic Lottery Corporation Inc. net profit - Note 1	$15,190,587	$15,118,209
EXPENSES - Note 1		
Remittance to Province of Prince Edward Island	14,249,373	14,174,209
Grant to P.E.I. Harness Racing Industry Association	941,214	944,000
	15,190,587	15,118,209
NET OF REVENUE AND EXPENSES	$ -	$ -

(The accompanying note is an integral part of these financial statements.)

PRINCE EDWARD ISLAND LOTTERIES COMMISSION

NOTE TO FINANCIAL STATEMENTS

MARCH 31, 2002

1. Description of Business

The Government of Prince Edward Island operates no lotteries but the Province, through its ownership of the Prince Edward Island Lotteries Commission, is a shareholder in the Atlantic Lottery Corporation Inc. and in the Interprovincial Lottery Corporation. The Atlantic Lottery Corporation Inc. is jointly owned by the four Atlantic Provinces or their lottery agencies, and is responsible to develop, organize, undertake, conduct and manage lotteries in Atlantic Canada. The Atlantic Lottery Corporation Inc. also markets and handles regionally the products of the Interprovincial Lottery Corporation, which is jointly owned by the ten Canadian provinces. Investments in the Atlantic Lottery Corporation Inc. and in the Interprovincial Lottery Corporation are carried at cost, and their net profits are distributed to the shareholders.

The profit of the Atlantic Lottery Corporation Inc. is distributed to each of the four Atlantic Provinces or their lottery agencies. The distribution to each province consists of the calculated profit in each province as determined by the Amended and Restated Unanimous Shareholders' Agreement.